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Previous references.

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" 165/01
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GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 - 2.

Major ~~Part~~ B for

SUBJECT.

Holding of Govt. pro. note in the off. Capacity of Dewan

P13

Indexed

W D 58—GPB—50,000—24-7-16

No 35
DC

Draft

G.T. 7/96 - 1

To

The Secy & Treasurer
Bank of Madras
Madras

Sir,

I have the honor to request that you will be so good as to furnish me with a Copy of any existing ruling of the Public Debt office or of the Govt. of India which expressly recognizes the form of Endorsement ~~which is~~ now in Vogue ~~and which in practice has been admitted as thoroughly Valid~~ for Govt of India Pro notes belonging to the Mysore State and in the Custody of your Bank - The Endorsement is simply "Dewan of Mysore" without the addition of the name of the individual who happens to be the "Dewan of Mysore" for the time being and I know that this form has always been regarded as thoroughly valid and binding for payment of interest, transfers &c - But I am anxious to inform myself fully on the Subject, as a question of the Sufficiency of this form of Endorsement has been raised on the Strength of certain Rules of the British Civil Account Code, about the ~~Sufficiency~~ applicability of which to the Applicability

present Case I am myself however very doubtful.

Article ~~Section~~ 183 of the British Civil Account Code (5th Edn.), dealing with payment of interest at Mofussil Treasuries describes two of the most ordinary forms of Endorsements, namely the personal name of an individual & the usual name of a well known Bank. Then in ~~Section~~ Article 187 it is pointed out that in ~~the~~ Cases where the holder of a Pro. note holds it in any other than his personal Capacity a reference to the Public Debt Office will be necessary. I am anxious to know if in the Case of Pro notes in ~~your Bank~~ favor of the Devan of Mysore in your Bank's Custody, your Bank had had to make any such reference to the Public Debt Office & if so with what result, or if owing to any exists rulings, which ~~your~~ is ~~Bank regarded as~~ applicable to the present Case, Such a ~~particular~~ reference ~~regarding the particular form~~ was considered unnecessary.

or Recognised practice

I note that article 188 refers to Many forms of Endorsements other than the two ordinary ones described in Article 183, which are "perfectly legal & admissible"

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and I take it that the "Dewan of Mysore" is one of these legal & admissible forms — But I shall feel much obliged if for any information on the Subject which you may be able to give me, ~~regarding~~ Express with special reference to the Rulings of the Public Debt Office of the Govt of India, and also to the recognized procedure followed in such cases? Thanks

y

29.9.96.

No 116

ALL LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO "THE BANK OF MADRAS"

Ord

549

(13)

Bank of Madras.

Madras, 1st Oct. 1896.

To
The Dewan of Mysore
Bangalore.

G.7.7-96-2

Sir,

I have the honor to acknowledge receipt of your letter No. 35/SC of 29th ultº., and in reply to state that there appears to be no special Order of Government in the records of the Public Debt Office here, whereby the Dewan of Mysore is authorised to hold Government Promissory Notes in his official capacity.

The question however appears to have been raised in the year 1865 in the cases of the Cochin and Travancore States, and on the opinion of the then Advocate General of Bengal, to whom the matter was referred, the Government of India accorded their sanction to the Dewans of these States holding Government Securities in their Official capacities.

The ruling in the instances referred to, appears to have been considered analagous

and

Item in the Madras Bank letter Countersigned (G.O. 896 D) 31 Augt 1896

and applicable to the Mysore State; and further, when the appointment of Mr. C. Ranga Charlu C.I.E. as Dewan of Mysore was notified to the Public Debt Office here by the Assistant to the Resident in Mysore, the matter was referred by that Office to the Local Accountant General, who saw no objection to the intimation being acted on.

For your information, I enclose copies of all the correspondence and papers therein referred to.

I have the honor to be,
Sir,
Your Obedient Servant

Sd/-

Actg: Secy: & Treasurer

Enclosures.

Proceedings of the Madras Government, Political Department, 26th July 1865. No. 25
Do. Do. 16th March 1871. No. 8.
Letter from the Assistant to the Resident in Mysore to the Public Debt Office, Madras dated 22nd July 1881.
Letter from the Accountant General Fort St. George to the Public Debt Office. Madras dated 3rd Septr. 1881.

Proceedings of the Madras Government Political Department,

26th July 1865.

No. 25. Read the following letter from E. H. Lushington, Esqr. Secretary to the Government of India, to the Honorable A. J. Arbuthnot, Chief Secretary to Government, Fort Saint George; dated Simla 21st June 1865, No. 933.

Financial Department.

Your letter, No. 83 dated 22nd March 1865, to the address of the Foreign Department, having been transferred to this Department for disposal, I am directed to state that, with a view to remove the technical objection raised by the Accountant General, the Government Solicitor was requested to obtain the opinion of the Advocate General, as to whether Government Promissory Notes belonging to the Cochin and Travancore States may be safely made out in the names of the Dewans of those States in their official capacity, on the understanding that the name of the Dewan thus accredited shall, on every change in office, be notified by each State to the Government for communication to the Accountant General.

2. A copy of Opinion given by the Advocate General is now forwarded to you, with the remark that the course described in the preceding paragraph, which he considers unobjectionable, may, in the opinion of the Governor General in Council, be adopted, provided the Government of Madras is satisfied that the Dewans are the Agents of the Travancore and Cochin Sirkars for the specific purpose of drawing the interest, and effecting the renewal and consolidation of Government Promissory

Promissory Notes, the property of those States.

Opinion.

In the general law of Bills of Exchange and Promissory Notes, it is objectionable to name a payee or party to the instrument, merely by any official designation he may have. And for this reason, that from such a person not being a corporate body, no transmission of interest can arise by operation of law, but any transmission must be effected in the same manner as from any other individual, and external evidence is in all cases necessary to ascertain who the individual is by name, who is so described. But in the particular case, which is of an exceptional character (though I conceive the more correct course would be to let the Notes stand in the name of the actual proprietors, requiring a power of Attorney from time to time to successive Dewans to draw the interest), I think there will be no harm in allowing the Notes to stand in the name of the Dewans as suggested, if it be desired to accede to the request in this respect

10 June 1865

(Signed) J. Graham
Advocate General

True copy

(Signed) R. F. Black
Solicitor to Government

A true copy

(Signed) J. E. Cooke
Asst. Secy. to the Govt of India

Ordered that a copy of the foregoing letter be sent to the Accountant General to the Government of India, with reference to his letter No. 264 dated 15th May 1865.

No. 96

Order thereon 26th July 1865 No. 194

Ordered to be communicated to the Resident in Travancore & Cochin in reference to his letter of the 8th March last No. 19.

To the Resident in Trav. & Cochin

True extract

Sd. J. H. Brum

Proceedings of the Madras Government, Political Department

16th March 1871

Read the following papers:-

No. 8. From the Acting Resident in Travancore and Cochin, to the Chief Secretary to Government, Fort St. George, dated Trevandrum 26th January 1871. No. 6.

In Government Order, Political Department, No. 208, dated the 24th August 1865, the Dewans of Travancore and Cochin were recognized as the accredited Agents for the specific purpose of drawing the interest and effecting the renewal and consolidation of Government Promissory Notes, the property of those States.

2. On a recent occasion a Bond for Rupees 2000 standing in the name of "the Dewan of Travancore for the time being" was endorsed by the Dewan to one Rayapettah Lutchmiah, who presented it at my Treasury for payment of interest due. I called the attention of the Dewan to the Government Order above quoted, and questioned the validity of the endorsement made by him. The Dewan explained, in reply, that Lutchmiah was employed as Sub-Engineer in the Travancore Public Works Department, that he deposited in cash Rupees 2000 as security, and that the Sirkar, with a view to give him the benefit of interest, invested the money in the purchase of Government Paper in the name of the Dewan. Lutchmiah having resigned his appointment, the Dewan thereupon transferred the Bond to him; but, under the objection raised by me, he cancelled the endorsement and paid Lutchmiah its value in Cash.

3. The Dewan further informs me that Lutchmiah's case is not the only instance in which the Sirkar has converted security money tendered by its servants into Government Papers, and that

these

these will have to be returned to the parties in time. Moreover, it may also happen, as when any costly public works are undertaken, that the Sirkar may have to sell some of the Promissory Notes purchased with its own money; the investment, as the Government are aware, having been resorted to merely as a temporary measure of employing the Sirkar's surplus funds. Sir T. Madava Row, therefore, asks how is the Government paper to be converted into cash if the Dewan has no power to transfer the same to the purchaser.

4. As this point is one of considerable importance to these States, I deem it right to refer it for the consideration and orders of Government, and to recommend that the Dewans be considered Agents of their respective States for the purpose of transferring Government Promissory Notes, the property of the Travancore and Cochin Sirkars, the reasons for such transfer being always reported by them to the British Resident.

Referred to the Accountant General for his remarks

(Signed) W. Hudleston
Secretary to Government

Fort Saint George
9th February 1871

9. From the Acting Accountant General, to the Chief Secretary to Government, Fort Saint George, dated Fort Saint George, 28th February 1871, No. 344

Book Department

With reference to ~~the~~ letter from the Acting Resident in

in Travancore and Cochin of 26th ultimo, No. 6, referred for my remarks of the 9th instant, I have the honour to report that, under the opinion of the Advocate-General, Bengal, recorded in Proceedings of Government, No. 194 of 26th July 1865, Political Department, there seems to me no objection to the Dewans of Travancore and Cochin transferring, as the Agents of those States, the Government Promissory Notes standing on their names, and which are the property of those States, inasmuch as the fact of a Note standing in a particular name gives the power of transfer. The Secretary and Treasurer of the Bank of Madras in charge of the Public Debt Office, to whom a reference was made, has stated that he is aware of no objection to the proceeding referred to, but has suggested that a decision on the point might be obtained from the Bengal Advocate-General, but I submit that such reference is unnecessary, as the opinion given seems plainly to establish the legality of the course under discussion.

No. 10 Order thereon, 16th March 1871, No. 83.

The Government, concurring in the views expressed by the Acting Accountant-General in the second of the letters above recorded, approve the recommendation of the Acting Resident in Travancore and Cochin, that the Dewans of those States shall be considered as Agents for transferring Government Promissory Notes, the property of the respective Sirkars, and that the Resident be kept informed by them of the reasons for such transfer.

(True Extract)

To the Acting Resident in Travancore & Cochin (Signed) R. S. Ellis
" Accountant General
" Directors of the Bank of Madras. Chief Secretary

Recd: J. H. Burns

/ Copy /

No. 869/319

Office of the Resident in Mysore
Bangalore 22d July 1881.

To

The Secretary and Treasurer.
Public Debt Office,
Bank of Madras, Madras.

Sir,

With reference to your letter to the Comptroller in Mysore No. 604 dated 16th June 1881, I am directed by the Resident to inform you that Mr. C. Ranga Charlu, C.I.E, is the Dewan to His Highness the Maharaja of Mysore, and, as such, he is competent to draw interest on, effect the renewal, consolidation or transfer of Government Promissory Notes, the property of the Mysore State.

I have the honor, to be,
Sir,
Your most obedient Servant
(Sd) W.J. Cunningham.
Assistant to the Resident

(Copy)

Book Department

No. 3541

Fort St. George.
Accountant Generals' Office
3d September 1881.

From.

H. J. Clogstoun Esq
Offg: Accountant General
To The Government of Madras.

To

The Secretary and Treasurer
Bank of Madras
Public Debt Office

Sir,

With reference to your letter No. 896 dated the 31st August 1881, I have the honor to inform you that I am of opinion that the intimation communicated by the Assistant to the Resident in Maisur in his letter No. 869/319 of 22d July 1881 may be acted upon by the Madras Public Debt Office.

I have the honor to be,
Sir
Your Obedient Servant
(Sd) H. Clogstoun
Offg: Accountant General